

18 September 1952

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TO : Chief, Procurement and Supply office
FROM : Comptroller
SUBJECT: Processing Obligation Documents

REFERENCE: A - CIA Regulations [REDACTED] G (2) (3)
B - Confidential Funds Regulations [REDACTED]
C - Comptroller Circular #4

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1. In the past it has been the procedure for the Procurement and Supply Office to forward all obligation documents such as purchase orders, letter orders, and contracts to the Fiscal or Finance Divisions as appropriate for pre-validation as to availability of funds and recording of the obligation prior to releasing the order or contract to vendors. This procedure has added a step in processing purchase orders and contracts in addition to the processing required in the Procurement and Supply Office, and on many occasions has necessarily delayed the Procurement ^{OF} priority items longer than is deemed required.

2. In accordance with the above
~~2. The above references clearly state the Agency policy~~
reference
~~for control of allotments and responsibility for obligations.~~
allottee is LE
~~The responsibility for controlling obligations against an~~
allotment rests with the allottee, who will be held responsible
~~for any obligations or expenditures made or authorized. It~~
therefore
~~is incumbent upon the allottee to assure that funds are available~~

pertinent
in the allotment ~~stated~~ when requisitions are placed upon administrative offices for materials and/or services.

3. Accordingly, it ^{is} ~~does~~ not ~~appear~~ necessary that all purchase orders and contracts be pre-validated as to availability of funds by the Fiscal or Finance Divisions since this assurance is implied by the allottee when requisitions are received by the Procurement and Supply Office. Therefore, it is requested that, effective immediately, only one copy of all executed purchase orders, letter orders, or other memoranda of obligations (in addition to the original of all contracts) be forwarded to the Fiscal or Finance Divisions. This copy will serve as the basis for recording into Agency Fiscal records the obligation incurred and as the document against which subsequent billings will be audited.

4. It is essential, however, that such obligation documents be forwarded promptly so that the current status of the available, appropriated funds may be clearly reported, *and in order that bills may be paid promptly.* No billings from vendors will be audited and paid unless the corresponding obligation document is available to the Fiscal or Finance Divisions.

5. It is expected that this procedure will materially speed up the processing and issuance of purchase orders and contracts and still provide the assurance of available funds prior to their execution.

E. R. SAUNDERS
Comptroller